

Raised Bill 6512

Electric Contract Procurement Process

Comments of Levco Tech Inc.

Levco does not support Raised Bill 6512

My name is Edward Levene, I am Vice President of Levco Tech Inc.

Bill 6507 would allow for the purchase of long term power contracts by CL&P and UI where consumers would pay for uneconomic procurements. We do not support the activity of CL&P and UI purchasing long term power contracts when the consumer pays the cost if the purchase becomes uneconomic.

Uneconomic purchases of above market contracts have negative effects on the Connecticut electric consumer and the Connecticut economy.

If the price of power of a long term power contract turns out to be higher than the market price of power consumers will either have to pay above market prices or a stranded cost must be charged to consumers. Both cause negative economic conditions.

Additionally, if the power consumed by customers using CL&P or UI generation decreases either through increased conservation or decreased demand and long term power purchased is above market costs consumers again are faced with the situation of paying added costs for power.

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